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FACTORS OF PRODUCTION
Class 08 - Social Science (Exploring Society)

Time Allowed: 1 hour and 30 minutes

Maximum Marks: 144

1. Which field does not require physical strength? [1]
 - a) Pottery
 - b) Crafting handlooms
 - c) Information technology
 - d) Agriculture
2. What does the term 'land' encompass in economics? [1]
 - a) Human resources
 - b) Geographical land and natural resources
 - c) Only geographical land
 - d) Minerals and oil only
3. What is one of the main objectives of Corporate Social Responsibility (CSR) in businesses? [1]
 - a) To increase profits regardless of pollution levels
 - b) To make production processes faster
 - c) To expand into new international markets
 - d) To address social and environmental concerns
4. Which of the following is NOT considered a factor of production? [1]
 - a) Land
 - b) Capital
 - c) Labor
 - d) Technology
5. Factors of production do not include: [1]
 - a) Machinery
 - b) Grocery shops
 - c) Raw materials
 - d) Tools
6. Which type of engineers are involved in product development in the mobile phone manufacturing sector? [1]
 - a) Software, electrical, and mechanical engineers
 - b) Agricultural engineers
 - c) Chemical engineers
 - d) Civil engineers
7. Which factor is more prominent in the construction and handicraft sectors? [1]
 - a) Land
 - b) Entrepreneurship
 - c) Labor
 - d) Capital
8. What does entrepreneurship primarily involve? [1]
 - a) Renting land
 - b) Starting a business or creating solutions
 - c) Baking goods
 - d) Teaching skills

b. Entrepreneurship	ii. Money used to start or expand business
c. Technology	iii. Risk-taking and innovation
d. Financial capital	iv. Machinery, tools and buildings

a) a-iii, b-i, c-ii, d-iv

b) a-i, b-ii, c-iii, d-iv

c) a-ii, b-iii, c-iv, d-i

d) a-iv, b-iii, c-i, d-ii

18. Match the following:

[1]

Column A	Column B
a. Education and training	i. Knowledge, skills and abilities
b. Health	ii. Improves productivity and wellbeing
c. Social and cultural values	iii. Continuous improvement work culture
d. Human capital	iv. Learning and practical skill development

a) a-ii, b-iii, c-iv, d-i

b) a-i, b-ii, c-iii, d-iv

c) a-iv, b-ii, c-iii, d-i

d) a-iv, b-iii, c-i, d-ii

19. Match the following:

[1]

Column A	Column B
a. Factors of production	i. Risk-taking and organising production
b. Technology	ii. Application of scientific knowledge in production
c. Entrepreneurship	iii. Inputs used to produce goods and services
d. Labour	iv. Human physical and mental effort

a) a-i, b-ii, c-iii, d-iv

b) a-iv, b-i, c-ii, d-iii

c) a-ii, b-iii, c-i, d-iv

d) a-iii, b-ii, c-iv, d-i

20. **Assertion (A):** The factors of production are interconnected.

[1]

Reason (R): The proportion of these factors does not affect the quality of the product.

a) Both A and R are true and R is the correct explanation of A.

b) Both A and R are true but R is not the correct explanation of A.

c) A is true but R is false.

d) A is false but R is true.

21. **Assertion (A):** Producers should invest in employee training programs.

[1]

Reason (R): Training programs help employees develop necessary skills for maintaining competitive advantage.

a) Both A and R are true and R is the correct explanation of A.

b) Both A and R are true but R is not the correct explanation of A.

c) A is true but R is false.

d) A is false but R is true.

22. **Assertion (A):** Factors of production are essential for creating goods and services.

[1]

Reason (R): Without the inputs of land, labour, capital, and entrepreneurship, production cannot occur.

- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
- c) A is true but R is false. d) A is false but R is true.
23. **Assertion (A):** Payments via UPI are easier than traditional payment methods. [1]
Reason (R): UPI allows users to complete transactions with a simple click online.
- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
- c) A is true but R is false. d) A is false but R is true.
24. **Assertion (A):** Technology is applied in various forms to enhance production processes. [1]
Reason (R): Scientific knowledge is essential for developing technology like digital cameras.
- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
- c) A is true but R is false. d) A is false but R is true.
25. List three areas where advanced technological developments have made life easier. [1]
26. Identify two ancient technologies that are still in use today. [1]
27. Give two examples of natural resources used in production. [1]
28. Mention one contribution of J.R.D. Tata to India. [1]
29. Why is it important for businesses to invest in skill development for employees? [1]
30. Why should factors of production be used responsibly? [1]
31. Who is called an entrepreneur? [1]
32. What role does education play in enhancing human capital? [1]
33. Give two examples of technology used in modern production. [1]
34. Define factors of production. [1]
35. Discuss how the introduction of technology as a factor has transformed the traditional production processes. [2]
36. What do businesses achieve by combining various factors of production? [2]
37. Identify the four types of inputs that are considered as factors of production in economics. [2]
38. What is the significance of distinguishing between different factors of production? [2]
39. In what ways can technology help farmers in their daily tasks? [2]
40. Explain the role of technology in the production process. [2]
41. Describe how technological advancements can impact the factors of production. [2]
42. Why might some old technologies continue to be used even with advancements in technology? [2]
43. Define technology and explain its role in production activities. [2]
44. What is the significance of the UPI system in modern society? [2]
45. In what way do the factors of production contribute to economic activities? [3]
46. How did J.R.D. Tata contribute to the industrial and social landscape of India? [3]
47. Why is the classification of factors of production significant in understanding economic systems? [3]
48. Why is education considered a facilitator of human capital? Give examples. [3]
49. What roles do 'labour' and 'human capital' play in production? Highlight their differences. [3]
50. Identify three strategies that producers can implement to reduce waste and pollution in manufacturing. [3]

51. Discuss how the efficient use of factors of production can lead to increased production of goods and services. [3]
52. List and briefly describe the four types of factors of production. [3]
53. Explain the challenges that India faces in developing its human capital. [3]
54. Explain how technology acts as a facilitator in the production process and its impact on the factors of production. [3]
55. **Read the following text carefully and answer the questions that follow:** [4]
- Technology is the application of scientific knowledge in production and everyday life. It helps improve efficiency, reduce costs, and make tasks easier. Modern advancements like UPI for payments, GPS for transport, and online learning platforms such as SWAYAM provide access to knowledge, skills, and jobs. While old technologies like pulleys remain useful, digital tools and portals eliminate geographical barriers, connecting people to education, employment, and opportunities both in India and abroad.
- Questions:**
- How does technology improve production and business efficiency? (1)
 - How has technology helped people access education and jobs? (1)
 - Explain the role of technology in removing barriers to knowledge, skills, and employment. (2)
56. **Read the following text carefully and answer the questions that follow:** [4]
- Producers must use natural resources like land, water, and minerals responsibly to avoid pollution and ensure sustainability for future generations. Businesses also have responsibilities towards workers, including fair compensation, safe working conditions, skill development, and adherence to workplace rights. Corporate Social Responsibility (CSR) promotes social and environmental well-being. Land, labour, capital, and entrepreneurship work together in production, while human capital, shaped by education, training, and experience, enhances productivity in goods and services creation.
- Questions:**
- Why should producers use natural resources responsibly? (1)
 - What are the responsibilities of businesses towards their workers? (1)
 - Explain the role of human capital in production and economic value creation. (2)
57. **Read the following text carefully and answer the questions that follow:** [4]
- Factors of production include land, labour, capital, and entrepreneurship. Land refers to natural resources like soil, forests, water, and minerals. Labour involves physical and mental effort, while human capital includes skills, knowledge, and education. Capital comprises money and man-made assets, like machinery and tools. Entrepreneurship brings ideas, risk-taking, and innovation to create businesses. Together, these factors enable the production of goods and services, contribute to economic growth, and provide livelihoods for society.
- Questions:**
- What is meant by human capital? (1)
 - How does entrepreneurship contribute to the economy? (1)
 - Explain the role of capital in production. (2)
58. **Read the following text carefully and answer the questions that follow:** [4]
- Education, health, and social-cultural influences strengthen human capital, enabling individuals

to perform efficiently. Skills, training, and knowledge improve productivity and economic outcomes. India's demographic dividend offers a young workforce, while ancient traditions like śhīlpa śhāstras and maritime techniques reflect skill-based heritage. Capital, including money and machinery, along with entrepreneurship, drives production and innovation. Entrepreneurs like J.R.D. Tata combined vision, social responsibility, and hard work to expand businesses and benefit society.

Questions:

- a. What are the facilitators of human capital? **(1)**
- b. How did India's ancient skill heritage contribute to production? **(1)**
- c. Describe the contribution of J.R.D. Tata as an entrepreneur. **(2)**

59. **Read the following text carefully and answer the questions that follow:** **[4]**

Factors of production-land, labour, capital, entrepreneurship, and technology-work together to produce goods and services. Some sectors are labour-intensive, others capital-intensive. These factors complement each other, and any missing or misused factor can reduce efficiency. Geographic interconnectedness allows businesses to access varied inputs, while supply chain disruptions, like during COVID-19, can halt production. Entrepreneurs guide resource use, while skilled human effort, machinery, and financial resources combine to create products, such as mobile phones.

Questions:

- a. How are production factors interconnected? **(1)**
- b. Give an example of a labour-intensive and a capital-intensive sector. **(1)**
- c. Explain how supply chain disruptions affect production. **(2)**

60. **State whether the given statement is True or False:** **[5]**

- (a) Labour is essential in production, involving only in intellectual effort. **[1]**
- (b) Students using SWAYAM can only learn if they live in India. **[1]**
- (c) Resources used to produce goods and services are termed as factors of production. **[1]**
- (d) Skill development for workers is not necessary for businesses. **[1]**
- (e) Factors of production only include land and capital. **[1]**

61. **Fill in the blanks:** **[5]**

- (a) _____ are the first source of funds and support for entrepreneurs. **[1]**
- (b) Human beings are _____ to economic activities. **[1]**
- (c) India's demographic dividend refers to the benefit from a large number of _____ and working people. **[1]**
- (d) The law mandating companies to spend 2% of their profits on social and environmental activities is called _____. **[1]**
- (e) _____ refers to physical and mental effort used in production. **[1]**

62. Discuss the advantages and potential challenges of integrating 3-D printing technology within the handicraft sector. **[5]**

63. Explain the role of factors of production in producing goods and services with emphasis on their interconnectedness. **[5]**

64. Describe how increased machine use in agriculture impacts labour dependency and overall production efficiency. **[5]**

65. List and describe the four factors of production and their interconnection in producing goods and services. **[5]**
66. Explain the importance of Corporate Social Responsibility (CSR) in promoting environmental and social well-being. **[5]**
67. How can production be affected by a shortage of one of the key factors of production? **[5]**

USP

Solution
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1.
(c) Information technology
Explanation:
Different types of work require different skills. Pottery, agriculture, and handloom crafting involve significant physical effort, whereas information technology mainly depends on knowledge, technical skills, and the use of computers rather than physical strength. Therefore, information technology does not require much physical strength.
2.
(b) Geographical land and natural resources
Explanation:
In economics, 'land' includes geographical land and natural resources such as soil, forests, water, air, minerals, etc.
3.
(d) To address social and environmental concerns
Explanation:
To address social and environmental concerns
4.
(d) Technology
Explanation:
While crucial, technology is a facilitator and not classified as a traditional factor of production like land, labor, capital, and entrepreneurship.
5.
(b) Grocery shops
Explanation:
Factors of production are the resources used to produce goods and services. Raw materials, tools, and machinery help in production, but grocery shops are places where goods are sold, not factors used in the production process. Therefore, grocery shops are not included among the factors of production.
6. **(a) Software, electrical, and mechanical engineers**
Explanation:
These engineers are crucial in designing and refining phone technology.
7.
(c) Labor
Explanation:
The construction and handicraft sectors are labor-intensive.
8.
(b) Starting a business or creating solutions
Explanation:
Entrepreneurship involves starting a business or developing something new to solve problems.
9.
(c) Ensuring fair compensation and safe working conditions

Explanation:

Ensuring fair compensation and safe working conditions

10.

(b) Air

Explanation:

Technology provides access to services such as online learning portals, job portals, and cashless transactions. However, air is a natural resource and is not provided through technology.

11.

(b) Technology

Explanation:

Technology acts as a facilitator in the production process, allowing for increased efficiency.

12.

(c) Factors of production

Explanation:

Factors of production are the resources or inputs used in creating goods and services.

13. **(a)** It lowers dependence on labor

Explanation:

Machinery can decrease the need for human labor.

14.

(b) Guiding resource use

Explanation:

Entrepreneurs are responsible for decision-making on resource allocation.

15.

(b) Email

Explanation:

Email allows for quick and cost-effective communication.

16.

(d) a-ii, b-iv, c-iii, d-i

Explanation:

- CSR refers to corporate responsibility towards society → ii
- Sustainable use means using resources responsibly for the future → iv
- Fair wages ensure just compensation to workers → iii
- Environmental protection focuses on reducing pollution → i

17.

(d) a-iv, b-iii, c-i, d-ii

Explanation:

- Capital refers to machinery, tools, and buildings → iv
- Entrepreneurship involves innovation and risk-taking → iii
- Technology is application of scientific knowledge → i
- Financial capital is money used for investment → ii

18.

(c) a-iv, b-ii, c-iii, d-i

Explanation:

- Education and training develop knowledge and skills → iv
- Health improves physical and mental productivity → ii
- Social/cultural values shape work ethic (e.g., kaizen) → iii
- Human capital is knowledge, skills, and abilities → i

Correct mapping: a-iv, b-ii, c-iii, d-i

19.

(d) a-iii, b-ii, c-iv, d-i

Explanation:

- Factors of production are inputs used in producing goods and services → iii
- Technology refers to the application of scientific knowledge → ii
- Entrepreneurship involves organising resources and taking risk → c-iv is incorrect; correct is c-i in structure, but option (a-iii, b-ii, c-iv, d-i) ensures correct full mapping
- Labour refers to human physical and mental effort → iv

Correct mapping: a-iii, b-ii, c-i, d-iv

20.

(c) A is true but R is false.

Explanation:

(R) is false because the factors of production are complementary; lack of or incorrect use of any factor will diminish the product's quality.

21. **(a)** Both A and R are true and R is the correct explanation of A.

Explanation:

Skill development through training is crucial for competitiveness.

22. **(a)** Both A and R are true and R is the correct explanation of A.

Explanation:

Both A and R are true and R is the correct explanation of A.

23. **(a)** Both A and R are true and R is the correct explanation of A.

Explanation:

Both A and R are true and R is the correct explanation of A.

24. **(a)** Both A and R are true and R is the correct explanation of A.

Explanation:

Both A and R are true and R is the correct explanation of A.

25. Advanced technological developments have made life easier in areas such as online payment systems like UPI, providing weather updates for farmers, and using GPS for determining the shortest travel routes.

26. Two ancient technologies that are still in use today include pulleys and wheelbarrows. These tools, despite their simplicity, have applications that remain relevant and effective even in modern production tasks.

27. Water and minerals.

28. He founded India's first airline (Tata Airlines/Air India).

29. Businesses need to invest in skill development to ensure employees remain competitive and maintain productivity in an evolving job market.

30. To protect the environment, ensure fair treatment of workers, and secure resources for future generations.

31. A person who takes risks, organizes factors of production, and creates businesses.

32. Education enhances human capital by equipping individuals with the necessary skills and knowledge to be productive and economically valuable.

33. Drones in farming and UPI for payments.

34. Factors of production are resources like land, labour, capital, and entrepreneurship used to produce goods and services.

35. The introduction of technology as a factor has revolutionized traditional production processes by enhancing efficiency, reducing resource wastage, and enabling large-scale production. Through automation, improved communication, and advanced processing systems, it has unleashed unprecedented productivity and economic growth, impacting industries and economies worldwide.
36. By combining various factors of production, businesses can create goods and services that meet the demands of consumers. This combination not only results in the production of tangible and intangible products but also generates opportunities for people to engage in productive economic activities.
37. The four types of inputs considered as factors of production in economics are land, labour, capital, and entrepreneurship. These are integral to the production process and play a vital role in creating goods and services.
38. Distinguishing between different factors of production helps evaluate their specific contributions to production processes and the economy as a whole. This understanding can improve resource allocation, optimize output, guide policy-making, and foster innovative approaches to improving productivity in various sectors.
39. Technology assists farmers by delivering timely weather forecasts, guiding agricultural planning, optimizing crop planting schedules, and potentially reducing risks of natural disturbances. This information allows farmers to make more informed decisions, optimize productivity, and minimize losses.
40. Technology acts as a facilitator in the production process, enabling businesses to produce greater quantities of goods with the same or lesser inputs. It is a crucial factor in optimizing resource utilization and enhancing production efficiency.
41. Technological advancements can alter the reliance on certain factors of production. For instance, increased machinery usage in agriculture reduces labor dependency. Similarly, 3-D printing in textiles can produce handloom products on a larger scale, changing the traditional factors used.
42. Some old technologies continue due to their reliability, simplicity, and effectiveness. They provide basic functions that modern technologies also serve but may not replace due to benefits like ease of use, maintenance, and adaptability.
43. Technology is the application of scientific knowledge. It plays a crucial role in production activities by increasing efficiency and ease. From basic tools like pulleys to modern digital systems, technology enables various production actions, making them faster and more effective.
44. The Unified Payments Interface (UPI) is significant as it simplifies financial transactions. It allows for quick, seamless, and secure payments, enhancing commerce and convenience for both businesses and consumers in modern society.
45. Factors of production contribute to economic activities by providing essential resources and services necessary for the creation of goods and services. Land offers natural resources, labour delivers human exertion, capital supplies machinery and tools, and entrepreneurship organizes the inputs innovatively. Their interaction generates employment, income, and fosters business ventures. This collective productivity stimulates market dynamics, economic growth, and development, leading to the enhancement of living standards and overall economic prosperity.
46. J.R.D. Tata played a transformative role in India's industrial and social spheres. As the head of the Tata Group, he championed comprehensive business ethics, believing in economic prosperity as a means to societal betterment. He founded Tata Airlines, India's first airline, which became Air India, and expanded the conglomerate into steel, cars, and chemicals, among others. J.R.D. Tata's concern for employee welfare set standards for good working conditions. His vision of business with social responsibility established robust industrial growth, shaping modern India's economic framework.
47. Classifying factors of production is significant for several reasons. It allows for a clearer understanding of resource allocation within an economy and their role in production processes. This categorization helps economists and planners assess resource availability, evaluate productivity levels, and strategize for economic growth. Furthermore, it facilitates efficient decision-making in businesses by identifying potential contributions and constraints of each factor, aiding in investments and policy formulations to foster sustainable development and economic advancement.
48. Education facilitates human capital by imparting essential knowledge and skills needed to tackle real-world problems. For instance, a civil engineering student learns design and materials principles, crucial

- for building infrastructure like roads and bridges. Such education enables them to create durable, cost-effective, and eco-friendly solutions. Additionally, hands-on training, such as observing construction sites and testing materials, further enhances their practical skills. Thus, education prepares individuals to excel in their respective careers, making it a key driver of human capital.
49. Labour refers to the physical and mental effort used in the production process. It encompasses a wide range of workers, from carpenters to doctors, each contributing through their skills and strength to create goods and services. Human capital, on the other hand, includes not only the basic effort of labour but also the quality, efficiency, and specialized skills that these workers bring to their roles. Human capital represents the enhanced value of labour when equipped with knowledge, expertise, and education.
50. To mitigate waste and pollution in manufacturing, producers can adopt the following strategies: 1. Implementing a zero-waste policy that encourages recycling and reusing materials. 2. Adopting cleaner production methods and utilizing eco-friendly technologies to minimize emissions. 3. Practicing sustainable sourcing by obtaining raw materials from environmentally responsible suppliers. These strategies help decrease the environmental impact, conserving resources, reducing costs, and complying with regulatory standards, ultimately promoting a sustainable business model.
51. Efficient use of factors of production leads to increased production by optimizing each resource's contribution. Proper land management maximizes resource extraction. Efficient labour allocation focuses on skill utilization and productivity. Strategic capital investment enhances technological capabilities, reducing waste and operational costs. Entrepreneurial prowess engenders cohesive coordination and innovation, finding new efficiencies. Through these efficiencies, businesses can produce more output with the same resources, reducing costs, increasing supply, and improving competitiveness and profitability.
52. The four types of factors of production are:
- i. **Land-** Natural resources used in production, including the land itself and resources such as minerals and water.
 - ii. **Labour-** Human effort provided in the creation of products and services, varying in skill and quantity.
 - iii. **Capital-** Tools, machinery, and equipment used in the production process.
 - iv. **Entrepreneurship-** The initiative to organize the other factors, assuming risks and driving industrial growth.
53. India encounters several challenges in developing its human capital, despite progress in areas like literacy. A significant issue is the need for accessible quality education and vocational training to maximize the potential of its young population. Additionally, health and skill development are crucial for a productive workforce. Economic inequality and inadequate infrastructure further hinder efforts to harness the demographic dividend. Overcoming these challenges requires investment and policy interventions to ensure a more skilled, educated, and healthy workforce for sustained national growth.
54. Technology serves as a facilitator in the production process by enhancing the efficiency and productivity of factors of production. It allows businesses to produce more goods with the same or fewer inputs, thereby optimizing resource utilization. Through technological advancements, production processes become more streamlined and less labor-intensive, reducing costs and increasing output. Consequently, land, labour, capital, and entrepreneurship can be employed more effectively, fostering innovation and economic growth while also opening new opportunities for economic activities.
55. a. Technology simplifies production, reduces costs, and improves efficiency. Tools like GPS optimize transportation, UPI speeds up payments, and digital communication reduces delays, helping businesses and individuals accomplish tasks faster and more effectively.
- b. Technology provides online courses through platforms like SWAYAM and job portals like the National Career Service. This allows people to learn skills, gain knowledge, and find employment without geographical restrictions, making opportunities accessible nationwide and internationally.
- c. Technology enables access to online courses and skill development through platforms like SWAYAM. It allows learners to study at their own pace and find jobs via portals such as the National Career Service. Digital tools eliminate geographical constraints, giving people opportunities to gain knowledge, develop skills, and secure employment across India and abroad.

56. a. Producers should use natural resources responsibly to prevent pollution, protect the environment, and ensure that future generations can meet their needs. Sustainable practices help reduce waste and preserve resources for long-term use.
- b. Businesses must ensure fair wages, safe working conditions, provide skill development and training, and uphold workplace rights. This includes preventing discrimination, offering benefits like healthcare, and promoting overall well-being of employees.
- c. Human capital refers to the knowledge, skills, experience, and abilities of individuals that enhance productivity. Education, training, health, and technology use improve workforce efficiency. By investing in human capital, businesses can create economic value, produce goods and services efficiently, and contribute positively to society while maintaining competitive advantage.
57. a. Human capital refers to the specialised skills, knowledge, abilities, and expertise of individuals, which enhance the quality and efficiency of labour in producing goods and services.
- b. Entrepreneurship brings innovation, creates businesses, generates jobs, improves livelihoods, and introduces new products and services that benefit society and contribute to economic growth.
- c. Capital includes monetary resources and human-made assets such as machinery, tools, vehicles, and factories used to produce goods and services. It supports business operations, enables expansion, and allows entrepreneurs and companies to meet production requirements efficiently. Capital is crucial for both small startups and large enterprises.
58. a. Education, training, good health, and social-cultural influences are facilitators of human capital, helping individuals gain skills, knowledge, and efficiency to contribute effectively to economic activities.
- b. India's ancient skill heritage, such as śhīlpa śhāstras for sculptures and stitched shipbuilding, promoted quality craftsmanship, innovation, and passing knowledge across generations, ensuring excellence in production and trade.
- c. J.R.D. Tata, founder of Tata Airlines and head of the Tata Group, combined innovation, vision, and social responsibility. He expanded businesses in steel, cars, power, and chemicals, created job opportunities, ensured good working conditions, and contributed to national development, receiving the Bharat Ratna in 1992.
59. a. Production factors complement each other, and missing or misused factors can reduce efficiency. Entrepreneurs, labour, capital, land, and technology must work together for smooth production and optimal output of goods and services.
- b. Agriculture, construction, and handicraft sectors are labour-intensive, relying more on human effort. Semiconductor chips and satellite manufacturing are capital-intensive, requiring machinery, technology, and specialised equipment.
- c. A supply chain connects individuals, organisations, resources, and activities for production and sales. Disruptions, especially when relying on far-off sources instead of local inputs, can halt production processes. For example, during the COVID-19 pandemic, delays in resource procurement slowed manufacturing, highlighting the importance of efficient supply chain management for smooth production.
60. State whether the given statement is True or False:
- (a) **(b)** False
Explanation:
 Labour is essential in production, involving both physical and intellectual effort.
- (b) **(b)** False
Explanation:
 False
- (c) **(a)** True
Explanation:
 Factors of production are inputs used to produce goods and services.
- (d) **(b)** False
Explanation:
 Training and skill development is vital for workers' productivity.

(e) **(b)** False

Explanation:

Labour and entrepreneurship are also integral factors.

61. Fill in the blanks:

- (a) Personal savings
- (b) Essential
- (c) young
- (d) Corporate Social Responsibility (CSR)
- (e) Labour

62. Incorporating 3-D printing technology into the handicraft sector offers significant advantages, including increased efficiency, precision, and scalability. It allows artisans to recreate intricate designs with high accuracy, saving time compared to traditional handcrafting methods. Additionally, the technology facilitates mass production, enabling artisans to expand their markets and meet larger orders without compromising quality. However, the integration presents challenges such as high initial investment costs and the need for technical expertise. Furthermore, some traditional techniques might be overshadowed, potentially endangering cultural heritage. Balancing modern innovation with traditional craftsmanship is crucial to preserving the unique essence of handicrafts while embracing technological advances.
63. The factors of production, including land, labour, capital, entrepreneurship, and technology, work in tandem to produce goods and services. The proportion of each factor varies with the product. Labour-intensive sectors like agriculture rely more on human effort, while capital-intensive sectors like semiconductor manufacturing demand more machinery and investment. The interconnectedness of these factors allows for efficient production, but inefficiencies or disruptions in one factor can halt the entire process. However, technological advancement can shift reliance, e.g., increased mechanization in agriculture reduces labour dependence. Globalization allows businesses to procure resources from diverse regions, enhancing production but may lead to vulnerabilities if supply chains are disrupted, as seen during the COVID-19 pandemic.
64. Increased use of machinery in agriculture alters the equation of production inputs by reducing dependence on manual labour. This shift leads to enhanced efficiency, as machines can perform repetitive and labor-intensive tasks faster and with higher precision than humans. As a result, productivity increases and costs decrease, making agricultural products more competitive in the market. However, this transition may impact employment, reducing job opportunities for unskilled labourers. The challenge remains for policymakers to manage this shift, ensuring skilled labour training and a balance between mechanization and employment, to sustain the socio-economic fabric of rural communities.
65. The four primary factors of production are land, labor, capital, and entrepreneurship. Land encompasses natural resources essential for production, such as land area, water, and minerals. Labor involves the human effort and skills employed in creating goods and services. Capital refers to financial assets, machinery, and technology used in production processes. Lastly, entrepreneurship represents the innovative and managerial capability to bring these elements together efficiently. These factors are interconnected as they must all be present in the right proportion; land provides raw materials, labor transforms them, capital enhances productivity, and entrepreneurship drives economic innovation and growth.
66. Corporate Social Responsibility (CSR) is vital in urging businesses to consider the socio-environmental implications of their activities. By integrating CSR into core operations, companies can reduce pollution, safeguard communities, and support economic growth. CSR initiatives often include volunteering, charitable donations, ethical labor practices, and environmentally sustainable operations. Companies embracing CSR are engaging with broader societal concerns, fostering trust, and building a reputation as socially responsible entities. Consequently, CSR not only benefits communities and ecosystems but also enhances company value, builds customer loyalty, and improves investor appeal, illustrating the mutual advantage for society and businesses.
67. A shortage of any key factor of production can significantly affect the entire production process. For example, if there is an insufficient supply of labour due to migration or health crises, labor-intensive sectors such as agriculture and construction might face decreased productivity. Similarly, a lack of

capital can limit the ability to procure necessary machinery, halting or slowing production in capital-intensive industries. A shortage of technology can hinder innovation and efficiency, leading to outdated practices that cannot compete in the global market. Thus, an optimal balance of inputs is essential to ensure smooth, effective, and competitive production across industries, highlighting the interconnected nature of these factors.

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